

**STATE BONDING FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF APRIL 30, 2005**

	April-05				March-05				December-04				September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	FYTD	FY04	Ended	Ended
																	Net	Net	6/30/2004	6/30/2004
																			Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																				
<i>Structured Growth</i>																				
Los Angeles Capital	84,826	2.2%	2.3%	-2.22%	83,838	2.2%	2.3%	-1.11%	86,394	2.2%	2.3%	10.37%	81,984	2.2%	2.3%	-4.14%	2.31%	N/A	N/A	N/A
<b>Total Structured Growth</b>	<b>84,826</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-2.22%</b>	<b>83,838</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-1.11%</b>	<b>86,394</b>	<b>2.2%</b>	<b>2.3%</b>	<b>10.37%</b>	<b>81,984</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-4.14%</b>	<b>2.31%</b>	<b>17.58%</b>	<b>-6.28%</b>	<b>-7.85%</b>
Russell 1000 Growth				-1.90%				-4.09%				9.17%				-5.23%	-2.65%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>																				
LSV	85,036	2.2%	2.3%	-2.49%	92,754	2.4%	2.3%	1.62%	93,033	2.4%	2.3%	9.01%	89,406	2.4%	2.3%	3.21%	11.49%	30.56%	9.33%	8.36%
Russell 1000 Value				-1.79%				0.09%				10.38%				1.54%	10.17%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	167,796	4.4%	4.5%	-2.50%	176,957	4.6%	4.5%	-1.04%	182,231	4.7%	4.5%	9.28%	174,651	4.6%	4.5%	-1.68%	3.66%	N/A	N/A	N/A
Russell 1000				-1.84%				-1.91%				9.80%				-1.81%	3.81%	N/A	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																				
Westridge	172,781	4.5%	4.5%	-1.87%	170,146	4.4%	4.5%	-2.08%	177,077	4.6%	4.5%	9.47%	169,705	4.5%	4.5%	-1.99%	3.09%	N/A	N/A	N/A
S&P 500				-1.90%				-2.15%				9.23%				-1.87%	2.90%	N/A	N/A	N/A
<i>Index</i>																				
State Street	51,910			-1.89%	51,143			-2.14%	53,266			9.23%	51,081			-1.88%	2.89%	19.01%	-0.75%	-2.28%
<b>Total Index</b>	<b>51,910</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-1.89%</b>	<b>51,143</b>	<b>1.3%</b>	<b>1.5%</b>	<b>-2.14%</b>	<b>53,266</b>	<b>1.4%</b>	<b>1.5%</b>	<b>9.23%</b>	<b>51,081</b>	<b>1.3%</b>	<b>1.5%</b>	<b>-1.88%</b>	<b>2.89%</b>	<b>19.01%</b>	<b>-0.75%</b>	<b>-2.28%</b>
S&P 500				-1.90%				-2.15%				9.23%				-1.87%	2.90%	19.11%	-0.70%	-2.21%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>562,349</b>	<b>14.7%</b>	<b>15.0%</b>	<b>-2.22%</b>	<b>574,838</b>	<b>14.9%</b>	<b>15.0%</b>	<b>-1.04%</b>	<b>592,001</b>	<b>15.2%</b>	<b>15.0%</b>	<b>9.45%</b>	<b>566,826</b>	<b>14.9%</b>	<b>15.0%</b>	<b>-1.42%</b>	<b>4.41%</b>	<b>21.46%</b>	<b>0.15%</b>	<b>-1.39%</b>
S&P 500				-1.90%				-2.15%				9.23%				-1.87%	2.90%	19.11%	-0.70%	-2.21%
<b>SMALL CAP DOMESTIC EQUITY</b>																				
<i>Manager-of-Managers</i>																				
SEI	178,775	4.7%	5.0%	-5.52%	189,205	4.9%	5.0%	-5.10%	199,830	5.1%	5.0%	14.79%	187,008	4.9%	5.0%	-3.60%	-0.78%	32.99%	5.51%	N/A
Russell 2000 + 200bp				-5.56%				-4.66%				14.64%				-2.36%	0.57%	35.99%	7.90%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>178,775</b>	<b>4.7%</b>	<b>5.0%</b>	<b>-5.52%</b>	<b>189,205</b>	<b>4.9%</b>	<b>5.0%</b>	<b>-5.10%</b>	<b>199,830</b>	<b>5.1%</b>	<b>5.0%</b>	<b>14.79%</b>	<b>187,008</b>	<b>4.9%</b>	<b>5.0%</b>	<b>-3.60%</b>	<b>-0.78%</b>	<b>32.99%</b>	<b>5.54%</b>	<b>7.29%</b>
Russell 2000				-5.73%				-5.34%				14.09%				-2.86%	-1.09%	33.36%	6.24%	6.63%
<b>CONVERTIBLES</b>																				
TCW	365,572	9.6%	10.0%	-4.02%	381,335	9.9%	10.0%	-4.03%	397,368	10.2%	10.0%	8.41%	366,600	9.6%	10.0%	-4.35%	-4.48%	17.50%	1.03%	3.90%
Merrill Lynch All Convertibles				-3.64%				-5.27%				5.37%				-1.05%	-4.83%	14.16%	4.89%	5.75%
<b>INTERNATIONAL EQUITY</b>																				
<i>Large Cap - Active</i>																				
Capital Guardian	146,591	3.8%	4.0%	-2.85%	150,899	3.9%	4.0%	0.96%	156,972	4.0%	4.0%	10.01%	296,674	7.8%	8.0%	-1.77%	6.00%	25.36%	-0.39%	0.54%
LSV	149,013	3.9%	4.0%	-3.05%	156,300	4.1%	4.0%	3.73%	158,007	4.1%	4.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	1	0.0%	0.0%	N/A	1	0.0%	0.0%	N/A	(45)	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>295,605</b>	<b>7.7%</b>	<b>8.0%</b>	<b>-2.95%</b>	<b>307,199</b>	<b>8.0%</b>	<b>8.0%</b>	<b>2.35%</b>	<b>314,934</b>	<b>8.1%</b>	<b>8.0%</b>	<b>10.59%</b>	<b>296,674</b>	<b>7.8%</b>	<b>8.0%</b>	<b>-1.77%</b>	<b>7.92%</b>	<b>25.36%</b>	<b>-0.39%</b>	<b>0.54%</b>
MSCI EAFE - 50% Hedged				-2.47%				1.71%				11.11%				-0.72%	9.43%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>																				
Lazard	38,041	1.0%	1.0%	-3.00%	37,736	1.0%	1.0%	3.09%	44,279	1.1%	1.0%	16.09%	39,858	1.0%	1.0%	0.29%	16.42%	43.30%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-2.20%				4.58%				16.82%				-0.82%	18.49%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>																				
Vanguard	37,222	1.0%	1.0%	-2.02%	36,564	1.0%	1.0%	2.92%	43,115	1.1%	1.0%	18.98%	37,867	1.0%	1.0%	0.42%	20.47%	44.67%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-2.20%				4.58%				16.82%				-0.82%	18.49%	47.95%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>370,867</b>	<b>9.7%</b>	<b>10.0%</b>	<b>-2.88%</b>	<b>381,499</b>	<b>9.9%</b>	<b>10.0%</b>	<b>2.47%</b>	<b>402,328</b>	<b>10.4%</b>	<b>10.0%</b>	<b>12.56%</b>	<b>374,399</b>	<b>9.8%</b>	<b>10.0%</b>	<b>-1.32%</b>	<b>10.53%</b>	<b>29.22%</b>	<b>1.03%</b>	<b>1.40%</b>
MSCI EAFE - 50% Hedged				-2.47%				1.71%				11.11%				-0.72%	9.43%	26.98%	-1.27%	-2.14%
<b>DOMESTIC FIXED INCOME</b>																				
<i>Core Bond</i>																				
Western Asset	710,837	18.6%	16.7%	1.12%	713,049	18.5%	16.7%	-0.84%	680,741	17.5%	16.7%	1.34%	687,449	18.1%	16.7%	3.52%	5.20%	2.42%	7.77%	8.10%
Lehman Aggregate				1.35%				-0.48%				0.96%				3.20%	5.09%	0.32%	6.35%	6.95%
<i>Index</i>																				
Bank of ND	867,954	22.7%	25.0%	1.16%	842,367	21.9%	25.0%	-0.78%	858,329	22.1%	25.0%	0.40%	865,114	22.8%	25.0%	2.54%	3.32%	0.07%	7.10%	7.25%
Lehman Intermediate Gov/Credit (1)				1.14%				-0.87%				0.44%				2.71%	3.43%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>																				
Wells Capital (formerly Strong)	373,004	9.8%	8.3%	1.22%	373,964	9.7%	8.3%	-1.15%	382,889	9.9%	8.3%	2.30%	385,414	10.1%	8.3%	4.51%	6.98%	1.18%	N/A	N/A
Lehman US Credit BAA				0.94%				-1.57%				1.69%				4.76%	5.84%	1.96%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1,951,795</b>	<b>51.1%</b>	<b>50.0%</b>	<b>1.16%</b>	<b>1,929,381</b>	<b>50.2%</b>	<b>50.0%</b>	<b>-0.88%</b>	<b>1,921,958</b>	<b>49.5%</b>	<b>50.0%</b>	<b>1.11%</b>	<b>1,937,978</b>	<b>51.0%</b>	<b>50.0%</b>	<b>3.27%</b>	<b>4.69%</b>	<b>0.79%</b>	<b>7.00%</b>	<b>7.45%</b>
Lehman Gov/Credit				1.50%				-0.67%				0.80%				3.56%	5.24%	-0.72%	6.73%	7.10%
<b>CASH EQUIVALENTS</b>																				
Bank of ND	389,996	10.2%	10.0%	0.25%	389,026	10.1%	10.0%	0.69%	369,250	9.5%	10.0%	0.53%	368,196	9.7%	10.0%	0.44%	1.92%	1.20%	1.72%	3.39%
90 Day T-Bill				0.22%				0.57%				0.48%				0.37%	1.65%	0.98%	1.71%	3.30%
<b>TOTAL BONDING FUND</b>	<b>3,819,355</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.68%</b>	<b>3,845,284</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.93%</b>	<b>3,882,734</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.57%</b>	<b>3,801,006</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.64%</b>	<b>3.55%</b>	<b>9.88%</b>	<b>4.70%</b>	<b>5.16%</b>
POLICY TARGET BENCHMARK				-0.41%				-1.22%				4.14%				1.22%	3.70%	8.00%	4.60%	4.72%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.